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Before the
Federal Communications Commission
Washington, D.C.

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FEDERAL COMMUNICATIONS COMMISSION
OFFICE OF THE SECRETARY

In the matter of

2002 Biennial Regulatory Review — Review of the) MB Docket No.02-277
Commission's Broadcast Ownership Rules)
)
Cross-Ownership of Broadcast Stations and Newspapers) MM Docket No.01-235
)
Rules and Policies Concerning Multiple) MM Docket No.01-317
Ownership of Radio Broadcast Stations in Local Markets)
)
Definition of Radio Markets) MM Docket No.00-244

To: The Secretary
Federal Communications Commission

ERRATUM

By the Coalition for Program Diversity

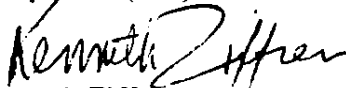
This Erratum substitutes the attached modified page 8 for page 8 of the Coalition **for**
Program Diversity's Comments filed in the above-captioned proceeding on **January 2nd**, 2003

Should **you** have **any** questions, please contact the undersigned.

Respectfully submitted,
COALITION FOR PROGRAM DIVERSITY



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motion picture/television studios essentially gave up and either merged or went out of business. In this challenging environment, even an entity as strong and well financed as Columbia/Tri Star (now Sony Pictures Television) had to revamp its business strategy for developing prime time television programs by looking at the business of prime time programming in a much more financially disciplined approach.

B. The Need For a 25% Independent Producer Rule

At the same time as the grabs by the networks for longer Term and increased ownership, the networks put the brakes on funding the ever more expensive production costs of series. Where historically, through negotiation between relative equals during much of the 1970s and into the 1980s, the networks supplied greater than 70% of production costs, in the 21st century, networks are unwilling to fund over 60%, thereby creating deficits of as much as \$500,000 per episode for sitcoms and up to and over \$1 million an episode for an hour drama or action adventure show. Most independent production companies, particularly those with limited access to outside equity funding, could not keep pace, faced with increased deficits on the “front end” and with diminishing abilities to garner deficit recoupment from international sources, let alone domestic post-network exploitation.

To foster new investment in the prime time network business, it is essential to assist those who might wish to risk capital to have access to the network’s airwaves, without being coerced through the newly developed post-FinSyn tactics.’ Thus, after a short transition period, a major network (i.e., an over-the-air network with 95% or more NTI and with greater than a 4.0 Household Rating) would be required to order at least 25% of its prime time programming from an “Independent Producer(s).” This rule would add important and serious “voices” which presently are in danger of extinction because they do not own a major network. The Independent Producer could

¹² See *infra* at 15 for a brief discussion of FinSyn.